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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA  
JULY 1969

Volume 13

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Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JULY 1969

The Federal Order MINIMUM uniform price to be paid producers for Base milk delivered to pool plants in the 0-65 mile zone is \$6.20. The July producer uniform price for Excess milk deliveries at all pool plants is \$4.41. These hundredweight prices are for milk testing 3.5% butterfat and are subject to a producer butterfat differential of 8.0 cents for each one-tenth of one percent above or below 3.5% test.

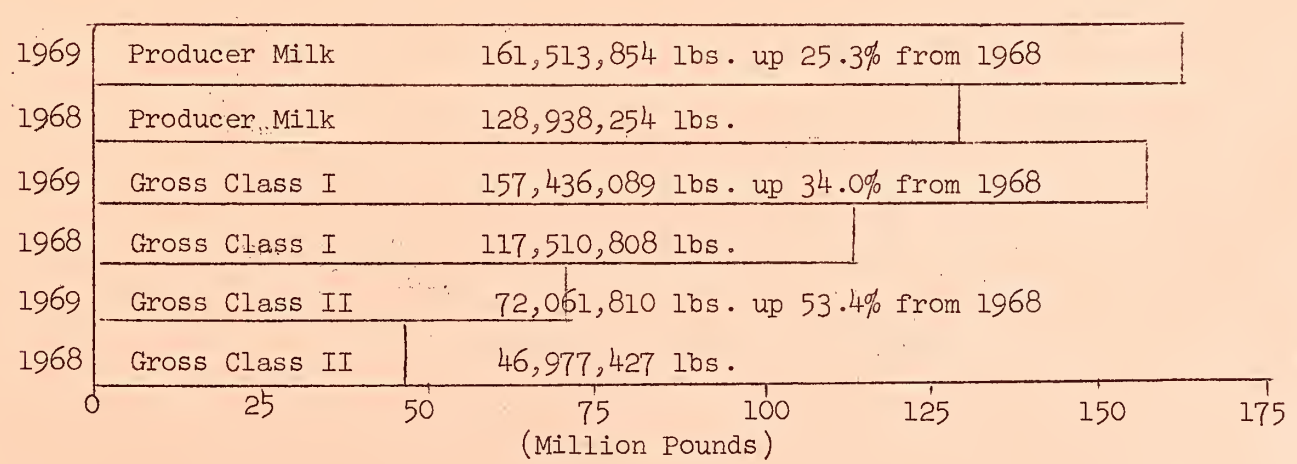
In July 1969, 78.4% of the producer milk received by pool plants was priced in Class I at \$6.50 per cwt. and 21.6% was priced in Class II at \$4.41 per cwt. The July butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during July 1969 was 22,040,556 pounds which is an increase of 4,352,054 pounds or 24.6% compared with July 1968. Deliveries of producer Base milk exceeded producer milk used in Class I by 2,708,241 pounds or percentagewise only 86.4% of Base milk was used in Class I. The July daily average deliveries from 619 producers was 1,149 pounds. This compares to 535 farms delivering a daily average of 1,067 pounds per day during July 1968.

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area will have a new base to be used in making payment to such producer during the months of March through July 1970. The 1970 daily average base will be computed by dividing each producer's total Grade A milk deliveries to a handler(s) during September 1969 through January 1970 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1969 through February 1970. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION  
January thru July



COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% July '69 over July '68	July 1969 18	June 1969 17	July 1968 10
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 24.6	710,986	729,352	570,597
Other Source	+ 46.8	43,658	34,235	29,736
Other Federal Orders	+ 77.1	279,336	288,764	157,772
TOTAL MILK RECEIPTS	+ 36.4	1,033,980	1,052,351	758,105
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 10.2	393,699	348,985	357,300
Skim - Regular	+ 2.1	19,577	19,902	19,169
Skim - 2% Milk	+ 86.4	79,048	76,102	42,419
Buttermilk	+ 5.2	47,625	47,594	45,252
Flavored Milk and Drink	+ 39.8	22,616	18,114	16,172
Creams (Sweet and Sour)	- 0.3	3,132	3,083	3,140
Sub-Total - Pkg. Products (Pool Plants)	+ 17.0	565,697	513,780	483,452
Other (Shrinkage, Inventory, etc.)		5,509	4,081	3,657
Sales to Non-Pool Plants		167,807	125,015	73,959
In-Area Sales by Non-Pool Plants		49,699	54,501	2,696
TOTAL CLASS I MILK	+ 39.9	788,712	697,377	563,764
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 25.6	70,745	57,965	56,320
Cottage Cheese	+ 28.9	47,247	42,145	36,656
Powdered and Condensed Milk		8,844	76,239	25,381
Livestock Feed and Skim Dumped		7,074	4,696	8,681
Sub-Total - Used to Produce	+ 5.4	133,910	181,045	127,038
Shrinkage Class II		14,531	14,703	10,907
Other (Inventory Variation, etc.)		3,996	19,199	3,727
Bulk Sales to Non-Pool Plants		92,831	140,027	52,669
TOTAL CLASS II MILK	+ 26.2	245,268	354,974	194,341
Class I Pkg. Lbs. in Area - Pool Plants	+ 56.9	441,375	415,499	281,280
Class I Pkg. Lbs. Out of Area - Pool Plants	- 38.5	124,322	98,281	202,172
Class I Pkg. Lbs. in Area - Non-Pool Plants		49,699	54,501	2,696
% Producer Milk of Gross Class I		90.1	104.6	101.2
% Producer Milk Priced in Class I		78.4	70.3	77.1

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$1090.51(a) Amended</u>	<u>Aug. 1969</u>	<u>July 1969</u>	<u>Aug. 1968</u>
Basic Formula	\$4.41	\$4.39	\$4.33
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.38	0.16	0.34
Class I Price, 3.5% Butterfat (0-65 Mile Zone)	\$6.74	\$6.50	\$6.62

AUGUST 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: May and June

Supply: Lbs. Producer Milk (May 25,223,071 and June 21,880,550) 47,103,621

Demand: Lbs. Net Class I Milk (May 21,523,144 and June 19,286,274) 40,809,418

Utilization Percentage: Producer milk divided by Class I 115

Standard Utilization Percentage: Range 134-138 134

Net Deviation Percentage: Utilization minus Standard Utilization Minus 19

Supply-Demand Adjustment: 2 cents x 19 percentage points Plus \$0.38



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

JULY 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		24,450,066	3.284		
Less Other Source		7,174,380	3.222		
Producer Milk Class I	78.4	17,275,686	3.309345	\$6.342785	\$1,095,759.62 <sup>1/</sup>
Gross Class II		7,603,306	4.468		
Less Other Source		2,838,436	3.157		
Producer Milk Class II	21.6	4,764,870	5.248664	5.773958	275,121.59
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	22,040,556	3.728599		\$1,370,881.21
Add Fractional Adjustment					.03
Add Value of Overage and Producer Location Adjustment					991.25
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,646.63
TOTAL VALUE AT TEST		22,040,556	3.728599	\$6.259003	\$1,379,519.12
Less Test over 3.5% @ 8.0¢ per point		22,040,556	.228599	0.182879	40,307.55
TOTAL UTILIZATION VALUE AT 3.5%		22,040,556	3.5	\$6.076124	\$1,339,211.57
Less Reserve Per \$1090.71(f)		22,040,556		.046124	
WEIGHTED AVERAGE PRICE - 3.5% TEST		22,040,556		\$6.03	
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		2,056,629	\$4.41	\$90,697.34	
UNIFORM EXCESS PRICE - 3.5% TEST		2,056,629	\$4.41		\$ 90,697.34
Total Value of Base Milk		19,983,927	\$6.247592		1,248,514.23
Less Producer-Settlement Fund Reserve		19,983,927	.047592		9,510.75
UNIFORM BASE PRICE - 3.5% TEST		19,983,927	\$6.20 <sup>2/</sup>		\$1,239,003.48

JULY 1969 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS (0-65 MILE ZONE)  
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$5.80	\$4.01	4.0	\$6.60	\$4.81	5.0	\$7.40	\$5.61
3.05	5.84	4.05	4.05	6.64	4.85	5.05	7.44	5.65
3.1	5.88	4.09	4.1	6.68	4.89	5.1	7.48	5.69
3.15	5.92	4.13	4.15	6.72	4.93	5.15	7.52	5.73
3.2	5.96	4.17	4.2	6.76	4.97	5.2	7.56	5.77
3.25	6.00	4.21	4.25	6.80	5.01	5.25	7.60	5.81
3.3	6.04	4.25	4.3	6.84	5.05	5.3	7.64	5.85
3.35	6.08	4.29	4.35	6.88	5.09	5.35	7.68	5.89
3.4	6.12	4.33	4.4	6.92	5.13	5.4	7.72	5.93
3.45	6.16	4.37	4.45	6.96	5.17	5.45	7.76	5.97
3.5	6.20	4.41	4.5	7.00	5.21	5.5	7.80	6.01
3.55	6.24	4.45	4.55	7.04	5.25	5.55	7.84	6.05
3.6	6.28	4.49	4.6	7.08	5.29	5.6	7.88	6.09
3.65	6.32	4.53	4.65	7.12	5.33	5.65	7.92	6.13
3.7	6.36	4.57	4.7	7.16	5.37	5.7	7.96	6.17
3.75	6.40	4.61	4.75	7.20	5.41	5.75	8.00	6.21
3.8	6.44	4.65	4.8	7.24	5.45	5.8	8.04	6.25
3.85	6.48	4.69	4.85	7.28	5.49	5.85	8.08	6.29
3.9	6.52	4.73	4.9	7.32	5.53	5.9	8.12	6.33
3.95	6.56	4.77	4.95	7.36	5.57	5.95	8.16	6.37

<sup>1/</sup> Includes handler location adjustment.

<sup>2/</sup> Subject to 18¢ location adjustment at Cedartown plant.

## CHATTANOOGA ORDER MILK PRICES -3.5% TEST (0-65 MILE ZONE)

Date	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
July '68	\$5.97 <sup>2/</sup>	\$6.15	\$4.14	8.2¢	\$6.52	8.6¢	\$4.18	7.6¢
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	5.90 <sup>2/</sup>	6.07	4.28	7.8	6.56	8.0	4.28	7.6
Apr.	5.71 <sup>2/</sup>	5.96	4.34	8.0	6.56	8.0	4.34	7.8
May	5.84 <sup>2/</sup>	6.08	4.37	8.0	6.45	8.1	4.37	7.8
June	5.73 <sup>2/</sup>	5.88	4.39	8.0	6.34	8.1	4.39	7.8
July	6.03 <sup>2/</sup>	6.20	4.41	8.0	6.50	8.1	4.41	7.8
Aug.	-	-	-	-	6.74	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 <sup>0</sup> Butter	Chi.Area Powder	Minn/Wisc Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	¢ Lb.	\$-cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
July '68	66.43	22.77	4.18	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	22.90	4.20	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	22.91	4.23	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	22.95	4.28	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	22.75	4.27	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	22.73	4.30	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	22.95	4.27	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	22.94	4.23	4.33	538,299	3.42	213,449	5.65
Mar.	66.39	23.04	4.28	4.33	542,370	3.40	215,901	5.50
Apr.	67.59	23.01	4.34	4.33	518,846	3.33	316,364	4.64
May	67.64	23.03	4.37	4.33	579,475	3.31	234,172	4.80
June	67.64	22.98	4.39	4.33	512,990	3.29	216,362	4.88
July	67.64	22.96	4.41	4.33	557,280	3.31	153,706	5.25

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK <sup>3/</sup>			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
July '68	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-
Mar.	18	1,078,934	739,355	611	758,271	688,137	4.00	1,241	1,126	115
Apr.	17	1,166,507	671,623	609	835,210	709,211	3.82	1,371	1,165	206
May	17	1,111,639	748,156	606	813,647	701,721	3.74	1,343	1,158	185
June	17	1,052,351	697,377	605	729,352	658,441	3.76	1,206	1,088	118
July	18	1,033,980	788,712	619	710,986	644,643	3.73	1,149	1,041	108

<sup>1/</sup> Excludes Premiums<sup>2/</sup> Weighted Average Price<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I